



THE CITY OF SAN DIEGO

MAYOR DICK MURPHY

San Diego Science & Technology Commission MEETING MINUTES

The San Diego Science and Technology Commission held a regular meeting on Wednesday, June 26, 2002, at 4:00 p.m., at the City's Economic Development Division, 600 B Street, 4th Floor Conference Room, San Diego, California.

- I. **CALL TO ORDER/ROLL CALL:** Dr. Martha Dennis, Chair called the meeting to order at 6 p.m. Members present: Craig Andrews, Hui Cai, John Cohen, Scott Corlett, Dr. Martha Dennis, Dr. Tom Dillon, Rear Admiral Tom Fellin, and Julie Meier Wright. Voting members absent: Steven Briggs, David Hale, Craig Irving, Douglas Gray, Deborah Luce, Vicki Marion, Richard Polanco Jr. and Carrie Stone.

Others Present: Mr. Charles Holland of Sony Corporation. Community and Economic Development Department staff Hank Cunningham, Department Director, Gary DeBusschere, Toni Dillon, Russ Gibbon, Rudy Gonzalez, Tina Hines, Ana Maria Jaramillo, Mike Jenkins, Jeff Kavar, and Adrienne Turner; Planning Department staff Jean Cameron; from Council District 7 staff Jamie Bradford; City Councilmember Scott Peters (joining the meeting in progress at 5:05 p.m.)

- II. **PUBLIC COMMENT:** None.

III. **COMMISSION MEMBERSHIP**

- A. Current Members' Status: Toni Dillon informed those present that 17 of the 18 Mayor- recommended commissioners accepted their appointment. These Commissioner's appointments and reappointments were confirmed unanimously at the San Diego City Council meeting on June 24, 2002.
- B. Swearing in of New Members: Toni Dillon swore in Commissioners Craig Andrews, Hui Cai, Jon Cohen, Scott Corlett, Martha Dennis, Tom Dillon, Tom Fellin, Susan Myrland, Alberto Mier y Teran, and Julie Meier Wright.
- C. Reappointment Update: Toni Dillon informed those present that there is one seat still vacant on the Commission and stated she would be in contact with the Mayor's office to request that Chuck Holland be considered for this vacancy.

- IV. **APPROVAL OF MINUTES FOR FEBRUARY 27, 2002
(MOTION/Dillon/Dennis/SECONDED/UNANIMOUS.**

V. COMMUNITY AND ECONOMIC DEVELOPMENT REPORT TO COMMISSION

- A. Preservation of Industrial Land – where will the tech companies grow?: Russ Gibbon of C & ED's Economic Development Division presented the June 5, 2002 report to the Science & Technology Commission. The subject of this report was, "Discussion of the preservation and enhancement of industrial land suitable for technology companies." Gibbon presented the issue of declining availability of land to support the anticipated growth in San Diego's technology firms. He offered three approaches to address the problem. These approaches are not necessarily mutually exclusive. Gibbon's solution "A" accelerates the development of industrially-zoned land. This solution includes action item "1", further study of the Mission Gorge area of the Navajo Community to assess the potential for developing the area for high technology, manufacturing, distribution, and research. This study should include the economic, financial and environmental viability of rezoning, subdividing, and improving this land. According to Gibbon, this alternative could provide approximately 200 net acres for development.

Solution A's action item 2 is a regional study of the Otay area to determine overall infrastructure needs, existing and potential sources and uses of funds for infrastructure, and the development of an infrastructure financing plan for a Border Development Zone. The study would summarize existing studies, identify information gaps, and obtain additional information from other City Departments and State and Federal agencies. There are 1000 net acres for development in Otay Mesa.

Gibbon's solution B would limit the "manufacturing-industrial park" (IP) zone to industrial users. Detailing the historic development of the IP zones IP1-1 and IP2-1, he stated that the City created these zones specifically to support high-technology manufacturing and R&D users; however, these users are essentially being priced out of the IP2-1 by general business office users. He described the purpose of the IP zones as being to provide a location "for high quality science and business park campus-like development". In the IP zones, IP1-1 is the most restrictive zone designation because it excludes Business & Professional Offices, Government Offices, Regional & Corporate Headquarters less than 40,000 square feet, and certain types of manufacturing. Gibbon noted that most IP1-1 zone land is developed or owned by end users and will reach the maximum density soon. Currently, in the less restrictive IP2-1, only a handful of lots are available for sale.

Solution B action item 3 suggested that the Commission recommend the preservation of the IP zones for technology clusters. This recommendation would propose that the IP2-1 zone requirements be consistent with the IP1-1 limitations.

Finally Gibbon offered Solution C action item 4 for discussion. This action item suggests evaluating the potential for high-technology industrial park development in Kearny Mesa through a graduated increase in the allowable floor area ratio from 5:1 to the citywide standard of 2:1.

Dr. Dillon stated that solutions A, B, and C could result in impacts on quality of life issues such as the lack of affordable housing and traffic congestion problems. He stated that the development of the Otay Mesa area will happen eventually because of

the sheer demand and lack of other developable land. Also, he referred to the Commission's concerns regarding the effects of science and technology on congestion and the lack of affordable housing. Admiral Fellin and Dr. Dennis opined that Gibbon's proposed alternatives must be fully examined. To address quality of life concerns, Dr. Dillon suggested the Commission conduct a study of the solutions from a regional perspective.

Ms. Wright said these issues are being addressed by the City of San Diego, SANDAG, and other agencies through regional studies. These studies address the impact of increased density and current and proposed land use patterns of development. She proposed that the Commission invite staff responsible for the Strategic Framework Plan ("City of Villages") and the Regional Transportation Plan to address the Commission on quality of life concerns. She opined that these experts are currently developing strategies to mitigate many of these concerns. Dr. Dennis concurred that the Commission needs to understand the "big picture" of how Gibbon's proposed solutions could impact the region. Ana Maria Jaramillo proposed that staff could help meet the Commission's information needs on understanding the "big picture" impacts by further studying these proposed solutions in the context of other regional planning efforts.

Ms. Wright moved to accept Jaramillo's suggestion of bringing to the Commission further studies of solutions A, B, and C, plus a presentation of related regional planning efforts. Specifically, labor pool availability, traffic impacts including regional commute patterns, and transportation alternatives should be addressed in studying these solutions.

(MOTION/Meier Wright/Dillon/SECONDED/UNANIMOUSLY).

Councilmember Scott Peters, who joined the meeting in progress, opined on this motion, that the traffic issues facing the city of San Diego and the greater San Diego Region need creative, "out of the box solutions" because current methodology of counting "Average Daily Trips" (ADTs) does not recognize that one car generates the need for four parking places. He asked the Commission to consider this concern in assessing the proposed development options.

- B. Old Business: – publication of the Digital Divide (presentation to the Rules Committee): Ms. Myrland asked Hank Cunningham to report on the progress of the the Digital Divide Report presentation with the Rules Committee. As this Report had not yet docketed, staff was asked to look at other options and report back at the next regularly-scheduled meeting.
- C. Future Topics: Dr. Dennis invited the Commissioners to e-mail her any ideas for future meeting topics

- VI. COUNCILMEMBER SCOTT PETERS – DISCUSSION: Councilmember Peters discussed his involvement as a member of the California Commission on the Tax Policy in the New Economy. He said the Commission is examining the impact of the Internet and other forms of electronic technology on tax recovery, and is providing an open, public, fair, and balanced forum for the development of a long-term strategy for revising state and local tax structure for California. The Commission is required to submit a report to the Governor and the Legislature on its findings next year. Councilmember Peters led a

discussion examining the results of the shrinking sales tax dollar and local city governments' reliance on this and other state taxes to fund services. This discussion included reference to taxing capital gains earnings.

Ms. Myrland asked Mr. Corlett, whose business is in Internet services and who is a member of the Young Entrepreneurs Organization, what his organization would think of taxing internet services. He opined that the need for government services would be influential in appealing to this group's acceptance.

Councilmember Peters stated that the Commission on Tax Policy and the New Economy September's meeting is tentatively scheduled for either the 24th or 25th in San Diego. He asked the Commission to consider presenting at this September meeting, perhaps with the San Diego Chamber of Commerce. The focus of the San Diego meeting is what state tax policy incentives could assist California and San Diego in continuing to attract high technology companies.

Ms. Wright requested that a subcommittee be formed to assist Councilmember Peters in show-casing San Diego at the September meeting of the California Commission on Tax Policy and the New Economy. It was agreed that the Commission members interested would contact Ms. Wright to volunteer for this subcommittee.

VII. UPCOMING MEETINGS

- A. Regularly scheduled meeting: Dr. Dennis suggested that the regularly scheduled August 28, 2002 meeting, be changed because this is in the middle of vacations. The next meeting will be September 18th at the scheduled meeting time of 3:00 p.m. to 5:00 p.m.

VIII. ADJOURN: With no further business to discuss, Dr. Dennis adjourned the meeting at 6:10 p.m.